

NEW MEMBERS

For most people planning for your retirement doesn't seem like a priority. You may have school loans and car loans. You are saving up for a home or a family. Retirement ... that may be 30 or 40 years in your future. Why should you care about a pension?

Talk to your colleagues – the years fly by, and many other financial obligations can easily stand in front of retirement planning. But! Your pension is automatic. Once you begin your career in public education in Montana, a percentage of your salary is placed into an account. You don't have to give it another thought until it's time to retire. That money will be there for you, no matter what.

What if you decide that this isn't the right career for you? What if you leave the state? You can take withdraw your contributions, plus interest, that you have made and roll them over into another account, or you can take a lump sum payment. Or, once you are vested with 5 years you can leave your funds on account with TRS and receive a monthly retirement benefit when you are eligible for a benefit.

Montana Teachers' Retirement System
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Montana Teachers' Retirement System

is a defined benefit pension plan qualified under IRC Section 401(a). Established by state law in 1937, the system has more than 18,400 active members as well as approximately 14,300 retired members and beneficiaries who receive retirement benefits, disability, survivor, or minor child benefits, in excess of \$280 million annually.

Promoting Long-Term Financial Security
For Public Education Professionals
Since 1937



Your Defined Benefit Pension Plan

New Members

A defined benefit pension plan is one way of preparing for financial security during your retirement years.

Both you and your employer contribute funds to the retirement system which are then invested to provide a monthly benefit throughout your lifetime, under a regular, early, disability or death benefit.



[Start Here](#)

A defined benefit pension plan is one way that public employees are encouraged to stay the course over their public service careers.

Step-by-Step Through *Your* Career



Start

Once you become a member of TRS a percentage of your gross salary is sent to TRS each month and credited to *your* member account. In addition, your employer also contributes a percentage of your gross salary to TRS. Under state law these funds are then invested by the Montana Board of Investments.

5 years

After 5 years of service, you become vested in the system and are now eligible for retirement benefits at the appropriate time. You will want to be sure that you have set up online account access to check your balance, have up-to-date information for your beneficiary, and become familiar with the online benefit calculator.

Mid-Career

As you continue your career, you will want to be sure that you have set up your TRS Online Services account. Review the annual statements we send you and keep your beneficiary and other personal information up-to-date. Don't forget to attend a TRS retirement seminar.

Late Career

Retirement is 3-5 years away. Begin planning for your retirement and request an estimate of benefits. Review your current and anticipated financial status, and decide on the date you will retire. TRS staff will help you each step of the way.

Last Year

Six months to a year before your planned retirement date, contact TRS for an updated estimate of benefits and a retirement application package to finalize your retirement plans.

Retirement

Congratulations, you have earned your retirement benefits throughout your career and are now retired.



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Start Here

Your defined benefit plan, savings, and investments are an integral part of planning for your financial future.

Retirement Benefit Formula

Tier Two Members : membership on or after July 1, 2013

Tier Two Members:

$\text{Years of Service} \times \text{Average Final Compensation}^* \times 1.667\%$

Tier Two Members with 30 years or more of service and at least age 60:

$\text{Years of Service} \times \text{Average Final Compensation}^* \times 1.85\%$

*Average Final Compensation is based on the 5 highest consecutive salaries for **Tier Two** members